

Can Political Representation Economically Empower Oppressed Classes?

An Analysis of Reconstruction Policy

Undergraduate Research Thesis

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by

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Abstract

In politics, representation in government is often thought of as the most salient means by which an oppressed class of people can improve their standing and raise themselves out of subjugation. The Reconstruction South featured a great influx of African-Americans into political office during the 1860s and 1870s, which allows us to question: did representation affect the material lives of black southerners after the Civil War? By wedding historical record and econometric analysis, I have found that there was largely little effect of black representation in government on black landownership and accumulation of wealth while there was a short-lived effect on income. During this period, many African-American officeholders sought to effect black landownership by increasing taxes on unused acreage within large plantations. Politicians decided against pursuing forced seizure of land to redistribute, and instead chose to incent landowners to sell their unused land. This economic incentive was meant to force a redistribution of land to poorer citizens. However, my analysis shows that this was not successful. Regression analysis shows a relationship between per capita county taxes in a county and a decrease in the number of large farms there. Yet, there is no demonstrable relationship between black political representation and black ownership of small, yeoman farms. Historical accounts indicate wealthy landowners as well as speculators from both the North and South purchased this land for their own means. As this policy backfired, tenant farming and sharecropping became entrenched southern institutions preventing black accumulation of wealth and increasing profits for white landowners. In counties that had black political leadership, there was an effect of increasing rates of tenant farming over sharecropping through taxes. Though this represents an increase in incomes at the time, this income could not translate to sustained wealth. As modern black poverty largely stems from denial of wealth accumulation over centuries, these results help paint a broader picture of representation politics and their failure to tame systemic and market forces at play in American society.

I. Introduction

Building a Black Political Consciousness

Lack of access to political power holds many minority groups back from achieving sustained agency in American society. Once an oppressed class is represented in government, conventional wisdom believes, the barriers presented by white, male institutional hegemony can be undone. African Americans are one such group which has long suffered the ill effects of underrepresentation in government. Only within the last half-century have blacks held seats in Congress for a sustained period, and despite greater access to power institutional barriers persist. Following the election of President Barack Obama in 2008, there was a widespread belief that America had become a “post-racial” society. If blacks could attain political power at the highest level of government, what could explain the ever-present gap in black and white educational attainment, income, wealth, and health outcomes? Surely, there was little ground left to be gained politically. This paper concerns the power representation has demonstrated to alter America’s socioeconomic landscape for African Americans, if at all. The historical and statistical analysis herein centers around the very root of black political participation: Reconstruction. Government did not recognize African American citizenship nor voting rights until adoption of the 14th and 15th amendments in 1868 and 1870 respectively. During and shortly after Reconstruction, America saw a large influx of African American politicians into public office across the South, though threats of violence and political chicanery forced almost all black politicians out of office by the nadir of American race relations in the 1890s. Utilizing this sample, analysis can understand how the first instance of representation can affect a class that had almost no assets and unclear legal definitions of rights as citizens. These politicians sought to lay the foundation for black prosperity in a new Union, and analysis allows insight into the role representation can play in

improving conditions for groups just gaining political power within long-established structures of government.

Following the Civil War, the South was in major need of rebuilding and reform. All classes felt the pains of significant debt. The white planter class suffered intense loss of capital, seizure of land and the emancipation of their slave labor force by the victorious Union. Freed slaves, granted new agency in the Reconstruction South, had no assets and required government assistance to land on their feet. Many slaves nearly immediately returned to their former owners to begin working the land for wage labor. Such conditions helped form the basis of the southern black political consciousness in the postwar years. The focus on the power of representation during Reconstruction is important because the ideals espoused by politically-involved freedmen worked to guide black political ideology well into the 20th century. Black politicians in office understood that they must create the conditions necessary not only for equal rights, but equal economic standing between black and white Americans in the new Union. For these reasons, out of myriad policy interest black politicians concerned themselves primarily with creating infrastructure for black education and black landownership. The former would ensure the potential for wage growth for African Americans as well as providing the tools to sustain a politically engaged black populace. The latter would act to cement economic class by creating a store of wealth which could be passed down across generations of future African Americans. The economic historical focus of this paper is of the effect of representation on wealth due to landowning's importance in 18th and 19th American legal definitions of citizenship, as well as wealth's importance in understanding modern disparities in racial inequality.

Black Politicians of the Reconstruction South

Of the blacks that held office during Reconstruction, relatively few were formerly enslaved. Instead, most were educated men who were free before the Civil War. In *Reconstruction after the Civil War* Franklin notes, “most of the Negro leaders were ministers. A fair number taught school. Some were employees of the Freedmen’s Bureau. Here and there one found a Negro who had been trained in law” (Franklin 89). Such an educated class of African Americans formed the caucus of leaders representing the interests of blacks at constitutional conventions and state legislatures across the South. Largely, these politicians formed policy positions less drawn along racial lines and more in favor of the empowerment of all economically ailing southerners, though radical positions were present among working class freedmen and some in government.

Conciliatory politicians demonstrated the greatest political efficacy and developed postwar political consciousness into an ideological majority in Southern legislatures. This conciliatory faction reached across racial lines, with very little “vindictiveness in their words and their actions” (Franklin 90). Black leaders in Southern governments looked not to dominate the white class, but rather stand with them to improve the economic future of the region. In Louisiana, Mississippi, and South Carolina black leaders sought to restore political rights to disenfranchised whites. This ranged from allowing rights to vote without representation to full political empowerment for those “who might aid in Reconstruction” (Franklin 90). In economic terms, this ideological group passed laws which meant to shelter impoverished and displaced whites as well as blacks. In Georgia and South Carolina, African Americans helped pass reforms to prevent the seizure of property from those unable to pay taxes and provide relief to capital-starved Southern banks. Politicians pursued these goals

knowing that the white community would benefit just as much as the black community. With similar regards to social relations, these conciliatory factions did not seek to undo white supremacy nor the caste system of the antebellum South. “It is false,” said P.B.S. Pinchback of Louisiana, “it is a wholesale falsehood to say that I wish to force ourselves upon white people” (Franklin 91).

Despite adopting a palatable, even moral, policy tone in governing bodies black politicians of the South did not have an easy time making concessions with white politicians to benefit freedmen. Education, a key tenet of the Southern black political platform, would become a major source of tension between the warring racial groups. Both whites and blacks understood the power of free, public education for black children to chip away at white hegemony. For this reason, the white political and planter classes staunchly opposed public education, while agrarian classes welcomed education so long as schoolhouses were segregated. Despite Democrats’ fervor against educating blacks, each new state constitution provided for free education with the supporting coalition of black politicians, Northern Republicans serving in Southern state office, and “scalawag” native Southern republicans. The major source of contention then became segregation. Black leaders stood firmly on the side of mixed schools, seeing segregation as a violation of the 14th amendment and presuming – correctly – that segregation would lead to disproportionate funding between black and white schools. Tennessee, not subject to congressional reconstruction, passed laws supporting segregated schools in 1867. Alabama followed suit in 1868, allowing mixed schooling only with unanimous support of all involved children’s parents (Franklin 110-111). Even for those willing to make conciliations, the racism entrenched in Southern white politics presented a barrier for progressive, pro-black reforms.

Out of the nexus of black political consciousness during and after the Civil War emerged another, more radical faction of black politicians that sought to effect greater change with regards to black and white social, political, and economic relations. Black politics took root much quicker in urban centers and areas occupied by the Union opposed to much of the plantation South, with ideology wholly separate from more conciliatory black politicians in policy and tone. These blacks saw freedmen as an economically exploited class denied the fruits of their labor over centuries. Angry at the planter class for their reliance on “stolen labor”, ideological leaders of this faction refused to make concessions nor see blacks as “a race apart” like so many of their conciliatory colleagues (Foner 103, Franklin 91). Virginia’s constitutional convention was marked by a more radical tone from orators, with delegates changing the language of a public statement from “our former masters” to “our former oppressors” (Foner 115). More radical groups of black politicians had the greatest effect in Virginia, South Carolina, and Louisiana especially on the issues of universal suffrage and public discrimination (Hahn 208). Black radicals along with radical white Republicans sought to remove property restrictions for voting and established voting without regard to “race, color, nationality, or previous condition” (Franklin 106). States with less black representation and more conciliatory politics saw less sweeping moves for suffrage. Georgia could not pass a measure that would have allowed all voters eligibility for public office, which soon led to the expulsion of African Americans from the state legislature (Franklin 107). With regards to discrimination, the greatest strides were made in radical Louisiana. A major factor in the ideological makeup of Louisiana’s black politicians stemmed from its Constitutional Convention, which mandated 50% representation by blacks. Here, black

politicians successfully progressed towards equal access and mandated integration (Hahn 210).

The Land Question

The differences between the conciliatory and radical factions of black politicians were no more pronounced than about the land question. Though both sides agreed that promoting black landownership was paramount to cementing black success long term, each sought different means of creating this landowning base for their constituents. Ultimately, black politicians chose against the more radical idea of land redistribution in favor of more conciliatory tax incentives for land sales.

The idea of reparations for slavery, the mythical “forty acres and a mule”, began taking hold among slaves in the Confederate South during the war. Black troops which occupied white plantations spread the abolitionist notion of land redistribution as a means of solidarity and propaganda. “‘The Negro Soldiery here,’ a Panola, Mississippi, landowner charged, ‘Are constantly telling our negroes that for the next year, the Government will give them land, provisions, and Stock and all things necessary to carry on business for themselves’” (Hahn 133). Such a policy represented an inherently populist view, that those that had worked the land had the greatest right its ownership. “[Freedmen] contended that ‘the land ought to belong to the man who (alone) could work it.’ Most often, however, blacks insisted that their past labor entitled them to at least a portion of their owners’ estates” (Foner 105). Black politicians understood that not only was some recompense owed them for centuries of slavery, but that this compensation would secure generations of future African Americans with the starting capital necessary to succeed and maintain economic independence in the new Union (Foner 104). Though radical reconstruction helped deliver some major reforms to

states with larger black representation, radical land redistribution had very little traction in American government. Especially following Andrew Johnson's ascendance to the presidency and his subsequent amnesty proclamation returning Freedmen's bureau land to white planters, the conciliatory faction of black politicians needed a way to pass land reform.

In the 1870s during Congressional Reconstruction, land taxation became the favored means by which a state could redirect unused land on large plantations to be sold to poorer farmers. "I want to see the man who owns one or two thousand acres of land, taxed a dollar on the acre," declared Abraham H. Galloway, "and if they can't pay the taxes, sell their property to the highest bidder... then we negroes shall become land holders" (Foner 376). Much of the former Confederacy passed these taxes as a way of making unused acreage more unprofitable to the landowner. The incentive worked, with millions of acres entering the market across the South, most often in small lots as required by law. Yet, despite the success in driving this acreage to market, poor blacks could not acquire land. Resource-deprived freedmen had little economic power, and could not compete with large landowners or speculators for this land at auction.

Though the historical record shows little success of these tax reforms in creating black wealth, the analysis herein will attempt to discern the specific effects of black political representation at the county level on wealth transfers within that county. Were blacks represented in government necessarily better off than their counterparts who were not? If there was no wealth effect of political representation, was there any effect at all?

Contract Labor in the New Southern Economy

Following slavery, the economic model of the agrarian South shifted towards rental farming via the institutions of tenant and sharecropping. Freedmen faced numerous barriers to owning land, including a white class opposed to extending them credit or selling them land. This class would also rely on violence against the few black landowners to discourage black economic independence. As tax reforms failed to redistribute land to African Americans for these and myriad other reasons, freedmen had little choice except to sell their labor on the free market working others' land. Eric Foner describes the transition from free labor to wage labor,

The adjustment to a new social order in which their persons were removed from the market, but their labor was bought and sold like any other commodity, proved in many respects difficult. For it required abandonment of some traditions inherited from slavery and the adaptation of others to the logic of the economic market, where the impersonal laws of supply and demand and the balance of power between employer and employee, rather than custom, justice, or personal dependency, determines a laborer's material circumstances (Foner 106).

Left up to the market, the material circumstances for freedmen varied greatly between sharecropping and tenancy. Sharecropping entailed a split of the land's yield between the farmer and the planter. The farmer typically sold what was left over from the split back to the planter at his store, where the farmer would purchase food, clothing, and seeds for the new season. When the farmer could not pay cash for these items, the planter would extend credit in the form of a crop lien to finance these oft-overpriced items which forced the farmer into vast amounts of debt. In contrast, tenancy represented a system which provided higher wages for farmers and encouraged investment into the land they farmed. Under tenancy, the farmer pays an agreed-upon cash rent to utilize the land and keeps all the land's yield for himself. Tenancy was markedly different from sharecropping with regards to the everyday relations between laborer and planter. Under sharecropping, the

laborer was subject to near-constant supervision of his work. In Georgia, “planters employed ‘whipping same as in slavery’ without interference from civil authorities” (Foner 409). While sharecropping served to maintain the relations of slavery within a more liberal system of “voluntary” labor, the tenant farmer had almost no supervision of his labor by the planter.

Sharecropping as an institution was more capital intensive than tenant farming, in that sharecropping planters owned more land, more machinery, and employed more laborers than a tenant planter. Under tenancy, the laborer would have to provide his own machinery for working the land and was largely less dependent on the resources of the planter. The use of crop liens at merchant shops to provide clothing, seeds, and other necessities to laborers on credit represents a major difference between sharecropping and tenancy. Often, a sharecropper was required under contract to only shop at one merchant’s store and could only use his crops as credit at that store. Sharecropping allowed the planter class to control every aspect of a black laborer’s economic activity in a system very much akin to antebellum chattel slavery.

Though rental farming did not have the same potential for wealth creation and economic independence as landowning, tenancy generally represented a less exploitative form of labor than sharecropping. With this understanding, I then question: did counties with black political representation experience a positive income effect with regards to an increased prevalence of tenancy over sharecropping?

II. Literature Review

Current literature surrounding the effects of representation in government on material benefits to oppressed groups presents both positive and negative results with regards to its efficacy, and social scientists have conducted little empirical research on the power of representation specifically during Reconstruction. Most research centers around 20th century impacts of representation primarily at local levels in the United States. Other papers consider international examples of representation, and generalizing these findings to the United States is tenuous. Little economic research examines representation in the United States prior to the Civil Rights Era, as there was a lack of minority representation in government from the 1890s until then. By applying statistical analysis of representation to Reconstruction, this paper helps give context to modern questions of representation in the United States and contributes to the greater discourse of the power of representation removed from specific groups and time periods.

In *Gridlock: Ethnic Diversity in Government and the Provision of Public Goods* Beach and Jones found in 2017 that increased diversity on California city councils led to a reduction in public spending, against the interests of the poor and racial minorities. Particularly, when a non-modal candidate is elected to city council there is a 15% drop in expenditure on public goods. These findings support the theory by Alesina, Baqui, and Easterly (1999) that increased diversity in government leads to a reduction in spending because different racial groups have different preferences for spending, leading to policy gridlock.

In *Does Gender Matter for Political Leadership? The Case of U.S. Mayors* Ferreira and Gyuorko found largely no difference in policies pursued by male or female mayors. The specific policies they examined included per capita tax revenues, total employment, expenditure on police, and effects on murder rates. There was no effect of female

representation on any of these outcomes. The authors attribute this result to the Median Voter Theorem, that regardless of who is in power as mayor he or she must answer to the policy positions of the median voter. In addition, researchers found that there was no result of female mayoral representation on further political empowerment of women. Following the election of a female mayor, there was no continued bias towards female political officeholding.

In contrast to findings against positive impacts of political representation, in *Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India* Pande found that mandated representation of minority groups in Indian government led to increased transfers to these groups. Particularly, changes in leadership led to more targeted spending on minority education, job quotas, and welfare. The author is careful not to allow these findings to generalize to policy in the United States, however. The United States has experimented with mandated representation by redrawing political district lines, but these changes altered the identity of legislator *and* voter, which makes it hard to identify the unique effect of legislator identity as they will still answer to a median voter and not the specific needs of their minority group.

In *The Political Economy of Black Business Development: African American Urban Representation and Black Business Prosperity* Hewitt, Brown, and Hodge found that cities with black mayors are more conducive to African American business development, with cities with black mayors demonstrating 114 more black owned businesses with paid employees while accounting for local income and population. There is also a positive effect of city council representation, with diminishing returns beyond 50% representation. Cities with black mayoral presence and black city council representation saw an increase of \$9.6

million in economic activity from black businesses. This analysis provided a strong case for the importance of white-black coalition in government to more equitably provide access to political and economic power. As the researchers demonstrated diminishing returns to representation beyond 50%, coalition is more important than “subordination or superordination”.

III. Dataset and Methodology

Dataset

The dataset for this analysis comes primarily from Eric Foner’s *Freedom’s Lawmakers*, considered the comprehensive guide to black politicians holding office during southern Reconstruction. Information from the book was copied over to a Microsoft Excel file and then translated into a Stata dataset for use in analysis. This dataset contains information on over 1,400 politicians during reconstruction, including branch and level of office, years entering and leaving office, as well as contextual information regarding property ownership, literacy, and other variables. Of the politicians in the book, minor positions such as policemen, constitutional convention delegates, and Republican club members were excluded. Although these politically involved individuals could help drive the formation of black ideology, they largely did not wield direct power over policy. As this analysis centers around tax rates, these individuals would have skewed results.

Census data from the Interuniversity Consortium for Political and Social Research provided contextual information at the county level, primarily for years 1870 and 1880. This dataset provided control variables for the multiple regression model used in Stata. These variables included county farm values, manufacturing output, manufacturing wages,

percentage black, total population in 1870, number illiterate, access to water infrastructure, access to rail infrastructure, and a dummy variable for indicating urban counties. Control variables made use of state fixed effects and the Logan and Parman measure of county segregation. Controlling for these factors when considering the effects of black politicians on taxes allows us to understand the unique effect of black politicians on taxes regardless of county level wealth or economic development.

Table 1: Descriptive Statistics of Black Politicians in Foner's Freedom's Lawmakers

States Represented	AL	AR	DC	FL	GA	LA	MS	NC	SC	TN	TX	VA
Count	152	46	10	54	106	207	220	179	309	20	45	84
	Total											1432
Mean Year Entering Office	1870.0											
Mean Year Leaving Office	1873.6											
Proportion of Politicians	Owned Property 46.72%	Born a Slave 28.91%		Victim of Violence 10.47%		Literate 83.82%						

For county-level distribution see Appendix Figure 1

Empirical Model: Wealth

The analysis here makes use of Ordinary Least Squares and a Two-Stage Least Squares regression model. To examine the effect of black politicians and the higher tax rates they enacted on wealth outcomes for black and poor southerners, the difference in number of small and large farms from 1880 to 1870 represented the dependent variable in both sets of regressions. For my purposes, a large farm is any farm over 100 acres and a small farm is any farm less than that in size. In the OLS model, the equation estimated for change in small farms was:

$$\Delta \text{Number of Small Farms } 1880 - 1870_i = \beta_0 + \beta_1 \text{Per Capita County Taxes } 1870_i \\ + \beta_2 \text{Number of Black Politicians}_i + \beta_3 X_i + \beta_4 Y_j + \varepsilon$$

Where X_i is the vector of county-level control variables outlined above and Y_j is a vector of binary state fixed effect dummy variables. The equation estimated for change in large farms was the same, but with $\Delta \text{Number of Large Farms } 1880 - 1870$ as the dependent variable.

Because I hypothesize that there is an effect of black politicians on county taxes, there is a concern of multicollinearity between β_1 and β_2 in the OLS model. To account for this, a Two Stage Least Squares Instrumental Variable model is also estimated. The first stage of this regression is thus:

$$\begin{aligned} \widehat{\text{Per Capita County Taxes } 1870}_i = & \pi_0 + \pi_1 \text{Number of Black Politicians}_i \\ & + \pi_2 X_i + \pi_3 Y_j + \varepsilon \end{aligned}$$

The second stage regression is then:

$$\begin{aligned} \Delta \text{Number of Small Farms } 1880 - 1870_i = & \beta_0 + \beta_1 \widehat{\text{Per Capita County Taxes } 1870}_i \\ & + \beta_3 X_i + \beta_4 Y_j + \varepsilon \end{aligned}$$

In addition to alleviating collinearity concerns, this specification allows for the results to be conditioned on the unique effect of black politicians on taxes. By employing this model a more thorough understanding of the effects of black politicians can be established. The taxes levied by a black politician may have a different effect than taxes levied in counties not represented by black politicians solely because of differing policy priorities by race. Using the two-stage least squares model allows to regression to be run on an estimated taxation parameter, where this parameter is dependent upon the number of black politicians in a county. This allows the best understanding of how variations in political representation affect variations in taxation, and then how the unique tax effect of black politicians can affect material outcomes for freedmen in the South.

Empirical Model: Income

To also examine the income effect on African Americans from black representation in politics, I make use of a similar model to examine the effect of representation on the distribution of tenant and sharecropping farms in the Reconstruction South. I make use of the same specifications from wealth effect regressions, except the dependent variable is now expressed as the ratio of tenant farms to all rental farms in 1880, denoted as:

$$Tenant\ Farms\ Ratio_i = \frac{\# Tenant\ Farms\ in\ a\ County}{\# Tenant\ Farms\ in\ a\ County + \# Sharecropping\ Farms\ in\ a\ County}$$

Thus, the OLS model for this dependent variable is:

$$Tenant\ Farms\ Ratio_i = \beta_0 + \beta_1 Per\ Capita\ County\ Taxes\ 1870_i \\ + \beta_2 Number\ of\ Black\ Politicians_i + \beta_3 X_i + \beta_4 Y_j + \varepsilon$$

I employ a similar Two Stage Least Squares Instrumental Variable regression to reconcile multicollinearity between taxes and black politicians and to understand the unique effect of black politicians on taxes with the first stage:

$$Per\ Capita\ \widehat{County\ Taxes\ 1870}_i = \pi_0 + \pi_1 Number\ of\ Black\ Politicians_i \\ + \pi_2 X_i + \pi_3 Y_j + \varepsilon$$

With the following second stage model:

$$Tenant\ Farms\ Ratio_i = \beta_0 + \beta_1 Per\ Capita\ \widehat{County\ Taxes\ 1870}_i \\ + \beta_3 X_i + \beta_4 Y_j + \varepsilon$$

Because of disparate policy goals by race, this model best allows for understanding the unique effect of black politicians on taxation and tenancy rates. Sharecropping, as opposed to tenant farming, particularly employed black laborers and as such the debt peonage and exploitation of the institution largely became a race-based issue. It is very likely that white politicians would not have had the same exposure to the issue, nor would they have sought policy to relieve such a burden specifically on freedmen. This model allows for per capita county taxes to be conditioned on black political representation which gives a more thorough insight into the efficacy of black policy as opposed to the general Republican platform of Reconstruction.

IV. Results

Table 2: The Wealth Effect of Black Political Representation

	Large Farm Difference	Small Farm Difference
<i>OLS</i>		
Per Capita County Taxes	-20.02*** (7.248)	1.051 (9.624)
	Per Capita County Taxes	
<i>First Stage</i>		
Black Politicians per County	0.0933*** (0.0115)	
F-Statistic on Excluded Instrument	66.01	
	Large Farm Difference	Small Farm Difference
<i>2SLS</i>		
Per Capita County Taxes	3.483 (24.95)	50.11 (33.51)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

N= 692. All regressions include total value of farms in 1880, the Logan-Parman segregation measure, percent black, total population, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, state fixed effects, and urban indicators.

From this output, there was no effect of black political representation on the distribution of small and large farms within the counties they represented. Beginning with the OLS regression, there is a significant result with regards to change in number of large farms. Each dollar increase in per capita taxes is correlated with a decrease of 20.02 large farms on average from 1870 to 1880, significant at the $p < .01$ level. For one standard deviation increase in per capita county taxes, there is a 4% decrease in the difference in large farms from 1880 to 1870, compared to the mean. There is no effect of taxes on the proliferation of small farms. This supports the historical analysis that shows many farms placed onto the market because of higher taxes on unused acreage were sold to other landed, white planters or Northern speculators instead of to poor Southerners and freedmen.

Moving to the two stage least squares result, we begin with the first stage results. These results indicate that each additional black representative per county is correlated with a 9.3 cent increase in per capita county taxes, significant at the $p < .01$ level. The Cragg-Donald F-Statistic on the excluded instrument, number of black politicians per county, is 66.01. The magnitude of this F-Statistic indicates that the instrument is very likely not weak. The second stage of the instrumental variable regression indicates no significant results for the effect of taxes on differences in small nor large farms from 1870 to 1880.

Examining these results in tandem indicates that there is an effect of taxes on decreasing the number of large farms per county, but when considering the unique tax policies presented by black political representation there is no effect. It is intuitive that higher taxes on property would decrease marginal returns on owning land, which the results reflect. Yet, based on the historical record one would assume that black politicians particularly had an interest in raising taxes on unused land. It may be the case that Republican ideology trumped black

identity politics in South. White and black representatives may have had similar tax policy goals, leading to no real effect of representative's race on the efficacy of these taxes.

Table 3: The Income Effect of Black Political Representation

	Sharecrop Farms	Tenant Farms	Sharecrop - Tenant Farms	Percentage of All Rental Farms that are Tenant Farms
<i>OLS</i>				
Per Capita County Taxes	-15.24* (8.638)	-11.45* (6.380)	-3.788 (9.650)	0.0131** (0.00543)
	Per Capita County Taxes			
<i>First Stage</i>				
Black Politicians per County	0.0933*** (0.0115)			
F-Statistic on Excluded Instrument	66.01			
	Sharecrop Farms	Tenant Farms	Sharecrop - Tenant Farms	Percentage of All Rental Farms that are Tenant Farms
<i>2SLS</i>				
Per Capita County Taxes	-4.410 (30.91)	170.7*** (32.37)	-175.1*** (40.70)	0.0433** (0.0190)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1
N= 829. All regressions include total value of farms in 1880, the Logan-Parman segregation measure, percent black, total population, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, state fixed effects, and urban county indicators.

From this output, there was an effect of black politicians on increasing the prevalence of tenant farms over sharecropping farms in the counties they represented. Beginning with the OLS model that examines the effect of taxes on the distribution of tenant and sharecropping farms, the only significant result is that each additional dollar of per capita taxes is correlated with a 1.31 percentage point increase in the proportion of tenant farms to all rental farms in a county. A one standard deviation increase in per capita county taxes is correlated with a 5.8% increase in the ratio of tenant farms to all contract farms, compared against the mean. There were no significant results for the effect of taxes on number of tenant farms, number of sharecrop farms, nor sharecrop farms minus tenant farms. However, as the coefficients on number of tenant farms and number of sharecrop farms are significant at a level of $p < .1$ it seems that the effect of taxation is biased towards reducing the number of rental farms on average. The OLS results from table 2 corroborate this, as taxation had an effect of reducing the number of large farms per county. Since Reconstruction era rental farms tended to be large, antebellum plantations broken up into smaller plots to be worked by wage laborers the tax effect of reducing the number of large farms would also lead to a reduction in these types of farms.

The instrumental variable results make use of the same first stage as the wealth regressions. Utilizing this model allows the results to be conditioned on the unique tax effect of politicians as in the previous regression, which allows for a more accurate understanding of how counties with black politicians benefitted from such representation. The first result of interest is the increase on the coefficient for taxes for the proportion of tenant farms to all rental farms regression. Here, the change in proportion from a one dollar increase in per capita taxes rises from 1.31 percentage points to 4.33 percentage points. For a one standard

deviation increase in black politicians, there is an associated increase of 35 cents in per capita county taxes. From this increase in per capita county taxes, there is a 4.9% increase in the ratio of tenant farms to all contract farms, compared against the mean. From this output the sign change on the coefficient on taxes in the number of tenant farms regression is additionally of importance. From OLS to IV, the coefficient goes from -11.45 to 170.7 with the latter displaying significance at the $p < .01$ level. From these results, black politicians must have had some influence on the direction of tax policy to encourage a marginal improvement in black labor conditions. By focusing taxes specifically on unused acreage on plantations, Black politicians effectively raised the opportunity cost of holding undeveloped land. Although the purpose of these taxes was to encourage the sale of this land, it also had the effect of raising labor demand. If planters did not wish to sell the land, it became prudent to develop the acreage so that it could bear crops. With an increase in arable land came an increase in demand for labor to work this land. The South is notoriously land rich and labor poor, and to attract laborers it was natural for the planter class to adopt more favorable working conditions and higher wages for their laborers in the form of tenancy as opposed to sharecropping. The historical record shows that when confronted with labor shortages, planters were quick to respond with preferred treatment for laborers despite racial differences. During the immediate postwar labor shortage, Foner notes that “To attract laborers, many planters in 1866 and 1867 found it necessary to raise wages, promise additional pay for harvest work, and offer land free of charge for garden plots” (Foner 139). Even after the new South’s labor relations became more concrete, planters continued to respond to labor market pressures with higher wages and favorable conditions. During the 1870s, black workers on Louisiana’s sugar plantations became one of the South’s best

compensated labor forces, “Blacks quickly became a wage-earning labor force, receiving daily or monthly wages considerably exceeding those elsewhere in the South, and enjoying... the traditional right to garden plots” (Foner 402). As Louisiana was one state which benefitted greatly from high numbers of politically involved African Americans, it is important to note that although general tax increases had an effect for preferring higher wages for blacks, when taxes are conditioned on the tax effect of black politicians the effect’s magnitude becomes much more stark. Black politicians had an ideology distinct from prevailing Republican policy points which focused on improving the conditions of the black working class, and these politicians understood that wealthy white planters were diametrically opposed to the advancement of black laborers. These results reflect that black politicians not only sought to increase taxes, but to direct these taxes to create favorable labor market conditions for economically disempowered freedmen.

V. Conclusion and Discussion

Implications for Representation Politics

Though African American politicians sought to create a landowning base for freedmen following the Civil War, the results of this analysis demonstrate that the conciliatory Republican line these politicians took was not successful in achieving this goal. Radical redistributive politics, eschewed to be more palatable to those of the white ruling class, never took hold in the Reconstruction South. Instead, politicians chose to work within the given system of government to pursue more liberal policy. Increased taxes on unused acreage did have the effect of altering how white planters treated their landholdings but could not undo greater economic and systemic forces at play in the post-bellum South.

Following the Civil War all classes, including the landowning class of white plantation masters, felt the pains of severe debt. Much of America's Black Belt suffered ruin at the hands of Union occupation. Foner notes, "In Dallas county, the heart of Alabama's plantation belt, whites' per capita wealth fell from \$19,000 in 1860 to one-sixth that amount ten years later" (Foner 129). Though these conditions were favorable to creating wealth transfers between classes in the South, very few freedmen commanded enough wealth to be able to participate in such a market. Instead, white "carpetbaggers" of the industrial North were best able to take advantage of deflated land prices and the need for white southerners to begin acquiring the capital necessary to succeed in the new Union.

"During and immediately after the war, a new element joined the South's planter class: Northerners who purchased land, leased plantations, or formed partnerships with Southern planters... Capital-starved businessmen welcomed their participation in commission houses, banks, and planting partnerships" (Foner 137).

Of the plots of land going to auction, few plots fell into the hands of the black working class. Northern postwar prosperity instead allowed speculators and carpetbaggers to command the most economic power in the recovering South. In leaving the task of land redistribution up to existing markets, political representation could not have an effect of guiding the Invisible Hand to favor those with the least political and economic power.

Similarly, black political representation which arose largely through appointments by the federal government, could not alter the greater landscape of race relations in the postwar South. Following postwar emancipation, freedmen were not raised to a level of equality with whites of the same economic caste. Instead whites, both powerful and poor, viewed African Americans as a race wholly apart from their own. In the immediate aftermath of the war, there was considerable animosity between the races fueled largely by the unclear trajectory of labor relations during Reconstruction. Freedmen, determined to cement their economic

and social independence insisted on fair treatment by plantation owners which only heightened racial tensions. Foner recounts one instance of freedmen building a public campaign against one former slave owner, "Howell Cobb's former slaves... have been busy spreading tales about [Cobb]'s overseers and trying to prevent new hands from coming to [the plantation]" (Foner 139). In the postwar South labor shortages forced plantation owners to make concessions to their former slaves, unseating any perceived power the planters once derived from their race. However, planters were quick to begin rebuilding white supremacy in the South and hinder substantial material gains by freedmen. W.E.B. Du Bois in *Black Reconstruction* discusses the use of violence during reconstruction to intimidate blacks and discourage actions towards racial equality. "The New Orleans riot of July 30, 1866, confirmed the Abolitionists in their opinion that the reconstructed states were in the power of the rebels... There were reported a thousand murders in the South, with few of the criminals brought to justice" (Du Bois 314). The resurgence of white identity politics transcended economic class, and led to substantial barriers to black landowning in the South. Freedmen faced a "white community united in the refusal to advance credit or sell them property" because of the resurgence in racism (Foner 106). Though planters had no choice but to respond to market conditions with favorable labor arrangements for black workers, they were incredibly successful in leveraging racism to prevent sustained advancement and wealth accumulation among the poorest African Americans.

This paper joins others in the literature that demonstrate an unclear impact of representation on the advancement of minority groups in the United States and abroad. Though black politicians could successfully create conditions for higher wages for black laborers in the counties they represented, they could not empower workers to become

economically independent landowners. As white supremacy surged in the South the white ruling class purged African Americans from government through coercion and legislation. By the nadir of race relations in the 1890s, any shreds economic and political equality between races quickly faded. The temporary beneficial effect of black political representation could not translate to sustained wealth for African Americans, leading to entrenched, systemic racial difference in the 20th and 21st centuries.

The Effects of Failed Policy on Modern Black Wealth

Because black politicians failed to redistribute land to freedmen, many could only turn to wage labor and contractual farming as a means of providing for themselves and their families. The exploitative systems of tenant and sharecropping prevented African Americans from saving and building wealth. Race relations deteriorated from the 1890s without improving until the mid-20th century, leaving blacks subject to violence, displacement, and redlining. In current economic literature and in popular discourse, there is a great focus on income inequality. Research demonstrates that black men earn 22 percent less than white men, but the income gap does not paint a broad enough picture of modern racial inequality (Wilson & Rogers 2016). Today, the median white family controls 12 times as much wealth as the median black family (Herring & Henderson 2016). Because the seeds of black landownership could not be planted during Reconstruction, African Americans experienced a multi-generational disadvantage compared to whites in building wealth that perpetuates structural inequalities in the modern era.

To explain the racial wealth gap, those with political power tend to blame moral failings on the part of African Americans. “In an April lecture at Morehouse College, Federal

Reserve Chair Ben Bernanke attributed the racial wealth gap to a lack of ‘financial literacy’ on the part of blacks, particularly with respect to savings behavior” (Hamilton & Darity 2009). Not only does research fail to show a lack of financial literacy on the part of African Americans, but much of the racial wealth gap can be explained by longstanding structural inequalities that have meant to maintain blacks’ disadvantaged position. Darity’s Lateral Mobility Hypothesis states that

‘the relative social standing of the majority of the members of an ethnic group in their country of origin ... the highest social status attained by the adult generation that constitutes the bulk of the migrants’ will play a critical role in the social status achieved by their children and grandchildren in the receiving country”

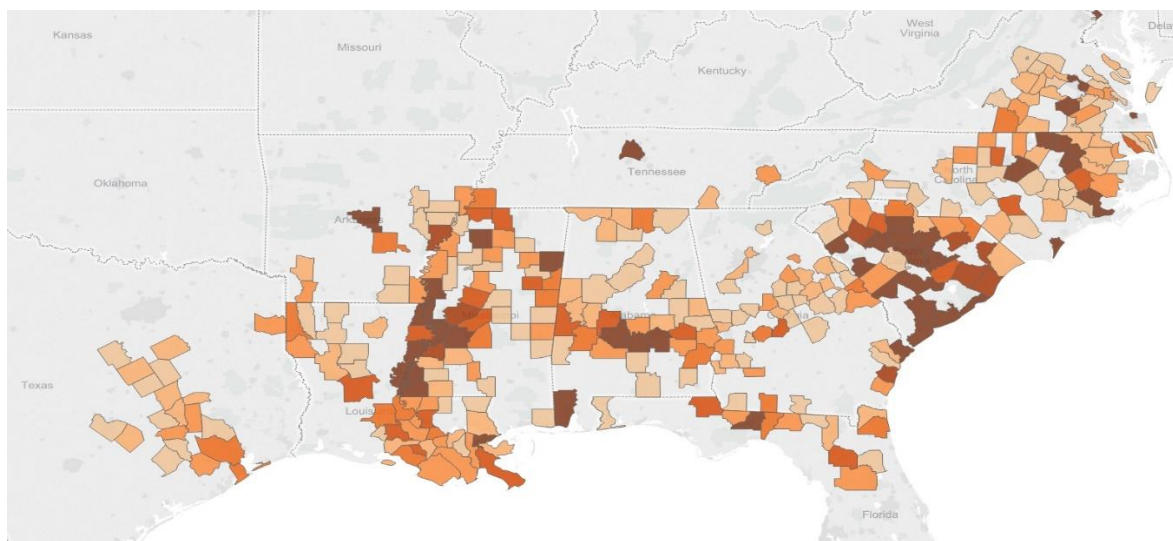
Darity expands upon this in *Evidence in Support of the Intergenerational Drag Hypothesis*, stating “Thus, individual ethnic immigrant histories point toward a consistent and systematic relationship between the relative class status of the group's members in past generations and the relative class position of descendants many years later”. Much of a group’s current standing can be explained based on their majority material position at the turn of the century. In *Race, Wealth, and Intergenerational Poverty* Hamilton and Darity note that, “Economic studies also demonstrate that inheritances, bequests, and intrafamily transfers account for more of the racial wealth gap than any other demographic and socioeconomic factor, including education, income, and household structure” (Hamilton & Darity 2009). From this understanding, clearly the role of contractual labor at the turn of the century cannot be ignored. Because laborers could not own the land they worked, that land could not be passed down to their offspring and future generations. Land represents a store of wealth which can be transferred in perpetuity within the family. The value of land rises over time, following inflation and economic development in surrounding communities, making it a relatively safe investment that holds its value. Land also can be used as collateral in securing debt financing

to improve the family's economic standing by funding investments in land or in postsecondary education. As freedmen did not own land, they could have no legitimate claims to the land they upon which lived and worked, stripping them of the political power they held during Reconstruction.

Even following the Civil Rights era, blacks continue to feel the ill effects of this decades-long denial of wealth. Segregated schooling may no longer be codified into law, but through the coercive effects of the ghettoization of black life and community, significant racial disparities in education persist. Most schools throughout the country receive funding via property taxes, and those taxes are linked to community wealth and land values. Past injustices continue to limit black achievement. Systemic inequality built up over generations could not be removed just through the repeal of Jim Crow, much like political representation during Reconstruction could not suddenly engender economic and social equality between whites and blacks following centuries of chattel slavery. Darity et al. conclude their paper on the Intergenerational Drag Hypothesis with the notion that a society exhibiting racial and ethnic equality would necessarily have to do away with the persistence of intergenerational transfers of poor schooling and labor market discrimination (Darity et al. 2001). Yet, in the case of African Americans, this would not go far enough. The median black family would have to save all wages and spend nothing for three years to close the racial wealth gap (Hamilton & Darity 2009). More must be done to reconcile the material wrongs of the past, opposed to simply removing their legal precedent for the future.

Appendix

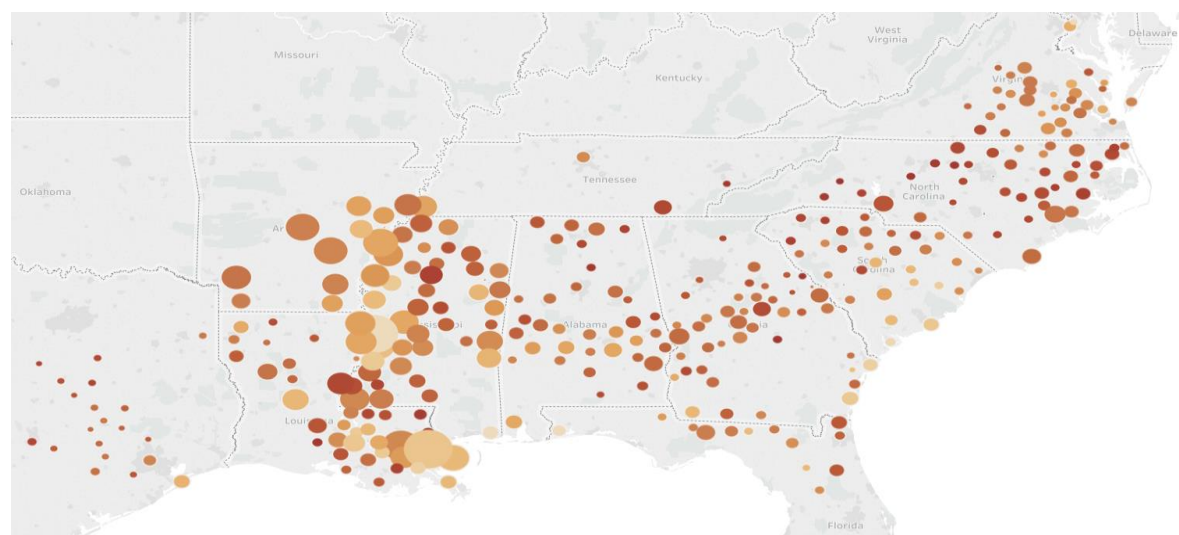
Figure 1 Geographical Distribution of Black Politicians During Reconstruction



Legend:

- 1 Politician
- 2-4 Politicians
- 5+ Politicians

Figure 2 Relationship Between County Taxes (Size) and Ratio of Sharecropping Farms to all Rental Farms (Shading)



Legend:



Per Capita County Taxes
(.008 to 15.93)



Ratio Sharecrop Farms to All
Contract Farms
(0 to 1)

Table 4: County Level Summary Statistics for Regression Variables

	Mean	Standard Deviation
Difference in Large Farms 1880-1870	639.8756	4634.146
Difference in Small Farms 1880-1870	-62.28	1099.307
Ratio of Tenant Farms to All Contract Farms	0.311	0.223
Per Capita County Taxes 1870	1.134848	1.369978
Number of County Black Officials	1.215986	3.813876
Logan and Parman Segregation Measure	0.296407	0.1431204
County Farm Values 1880	1594427	1948010
Total Population 1870	11655.97	14987.01
Percentage Black	0.290903	0.2423224
Manufacturing Wages	1069926	1.95E+07
Manufacturing Output	6857117	1.18E+08
Urban Dummy Variable	0.035714	0.1856558
Rail Dummy Variable	0.264503	0.4412855
Water Dummy Variable	0.367748	0.4824296
N	2680	

Table 5: Complete OLS Regression Output for Change in Farms by Size

VARIABLES	Difference in Small Farms 1880-1870	Difference in Large Farms 1880- 1870
Per Capita County Taxes 1870	1.051 (9.624)	-20.02*** (7.248)
Number of Black Officials	4.585 (3.254)	2.196 (2.450)
Segregation	-148.1 (107.4)	-144.6* (80.84)
Farm Values 1880	3.23e-05*** (8.35e-06)	9.70e-06 (6.29e-06)
Total Population 1870	-0.000790 (0.00122)	0.00314*** (0.000916)
Percentage Black	422.6*** (68.62)	-164.4*** (51.67)
Manufacturing Wages	-0.000119 (9.69e-05)	-2.25e-05 (7.29e-05)
Manufacturing Output	3.23e-05 (4.17e-05)	-4.89e-05 (3.14e-05)
Urban	-48.12 (55.15)	-60.79 (41.53)
Rail	44.95* (25.35)	-10.27 (19.09)
Water	45.42* (24.21)	-52.71*** (18.23)
5.statefip	-378.7*** (61.41)	-65.18 (46.25)
10.statefip	-633.4*** (180.8)	-291.9** (136.2)
12.statefip	-112.3 (69.03)	-477.1*** (51.98)
13.statefip	-167.3*** (47.27)	-394.9*** (35.59)
21.statefip	-330.8*** (51.74)	-328.0*** (38.96)
22.statefip	-373.6*** (61.35)	-376.6*** (46.20)
24.statefip	-288.9*** (87.85)	-462.1*** (66.15)
28.statefip	-364.6*** (56.95)	-739.5*** (42.89)
37.statefip	-299.1*** (49.48)	-814.2*** (37.26)
45.statefip	-451.0*** (67.21)	-802.2*** (50.61)

47.statefip	-255.7*** (51.52)	-855.0*** (38.80)
48.statefip	-218.0*** (50.11)	-823.7*** (37.74)
Constant	159.4** (73.40)	957.5*** (55.27)
Observations	693	693
R-squared	0.278	0.677

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 6: Complete OLS Regression Output for Ratio of Tenant Farms to All Contract Farms

VARIABLES	(1) Tenant Farming Ratio
Per Capita County Taxes 1870	0.0131** (0.00543)
Number of Black Officials	0.00282 (0.00184)
Segregation	0.181*** (0.0559)
Farm Values 1880	3.97e-09 (4.28e-09)
Total Population 1870	5.74e-07 (6.41e-07)
Percentage Black	0.411*** (0.0357)
Manufacturing Wages	2.86e-08 (4.43e-08)
Manufacturing Output	1.87e-09 (1.63e-08)
Urban	0.0516* (0.0294)
Rail	0.0167 (0.0134)
Water	0.0451*** (0.0127)
5.statefip	0.0695* (0.0355)
10.statefip	-0.162 (0.103)
12.statefip	0.0943** (0.0402)
13.statefip	0.0251 (0.0274)

21.statefip	0.245*** (0.0296)
22.statefip	0.0766** (0.0356)
24.statefip	0.0181 (0.0492)
28.statefip	0.0406 (0.0332)
37.statefip	-0.0867*** (0.0287)
45.statefip	0.0544 (0.0390)
47.statefip	0.0766*** (0.0297)
48.statefip	0.0141 (0.0291)
51.statefip	0.131*** (0.0287)
54.statefip	0.275*** (0.0362)
Constant	-0.0559 (0.0402)
Observations	829
R-squared	0.499

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

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